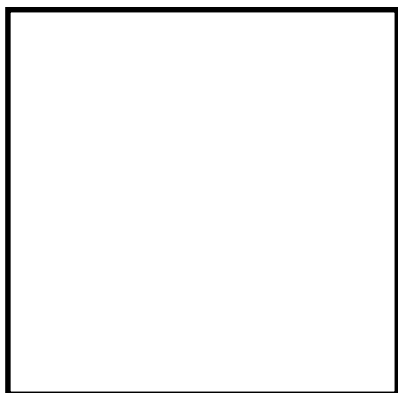


# HIGHER EDUCATION UPDATE

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*News from the*

## CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

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## *1998 Legislative and Budget Priorities of the California Postsecondary Education Commission*

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### **Reaffirming California's commitment to college opportunity**

The Postsecondary Education Commission remains committed to the fundamental goal of the 1960 California Master Plan for Higher Education -- that all Californians who are desirous and can benefit from a college education should have access to it. Moreover, the Commission continues to support the underlying principles of the Master Plan: (1) high quality, low-cost education to all Californians who choose to pursue such beyond high school; and (2) different missions among the various sectors of postsecondary education for the purpose of providing a sufficient level of educational opportunities for residents of the state.

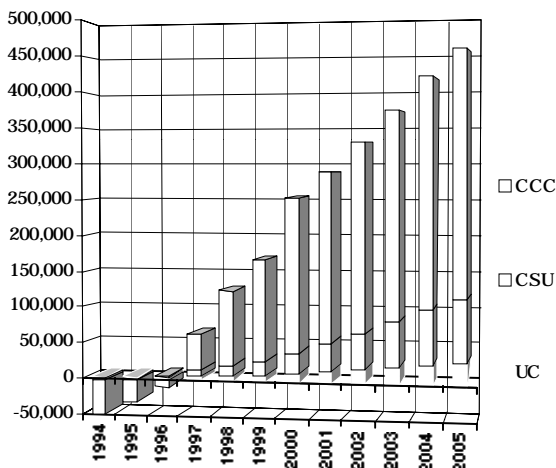
Today, California's postsecondary education enterprise consists of 137 public colleges and universities that serve more than 1.8 million students -- a public system larger than any other in the world. Californians also benefit from more than 2,500 independent and private schools, colleges, and universities that operate in the state and serve more than 728,000 students.

California continues to face numerous challenges that directly affect postsecondary education:

- ◆ California schools are experiencing dramatic changes not only in the number of students but in their diversity. The State's elementary and secondary schools enroll over 5.1 million students, with a majority coming from Latino and Asian backgrounds. Over 31 percent of California's elementary and secondary school students speak English as their second language.
- ◆ Moreover, approximately 17 percent of California's students live in poverty. The combination of these conditions, coupled with greater numbers of students, calls loudly for new strategies to ensure equitable and high quality educational outcomes for all of California's children, particularly since approximately 95 percent of all freshmen in the State's higher education institutions are California high school graduates. The choices and success of these students have broad implications for postsecondary education and for the State of California as a whole.
- ◆ California's postsecondary education enterprise needs to develop new strategies for maintaining the promise of the Master Plan in light of the "Tidal Wave II" of students that will seek to pursue postsecondary education opportunities in the near future, as Display 1 shows. The increased

demand anticipated from these students will generate enormous pressure for building new college facilities, increasing the use of educational technology in the delivery of instruction, reducing the time-to-degree, and making better use of California's independent colleges and universities in meeting enrollment demand.

*Display 1 Tidal Wave II Projections 1994-2005*



*California's colleges and universities expect 455,000 new students by the year 2005. Funding and instructional delivery questions still remain.*

- ♦ As California's businesses and industries endeavor to maintain their competitiveness in a global marketplace that requires high-level skills, advanced training and education will become more instrumental in achieving productive employment. College-going rates have become a reliable indicator of economic success, improved personal earning power, and entrepreneurial acumen. The role of California's colleges and universities is vital to California's economic and social future in that the State's continued economic prosperity is, and will remain, heavily reliant on a well trained and educated workforce.
- ♦ Despite an improving economy and more optimistic budget prospects, the future has been characterized as one of fiscal constraints and enhanced competition from other State programs for scarce tax dollars -- circumstances unlike those that faced higher education during its expansion period following the adoption of the 1960 Master Plan for Higher Education. In fact, a recent RAND Corporation study estimated that, by the year 2015, California will need to expend \$13.3 billion -- almost double its current investment -- to meet the en-

rollment demands of Tidal Wave II, if postsecondary education continues to function as it has in the past, as Display 2 on the next page illustrates. This estimate does not include the capital outlay funding that will be required to meet facility maintenance and new campus construction. The Commission has estimated that the State will have the fiscal capacity to accommodate roughly half of this expected demand through traditional means.

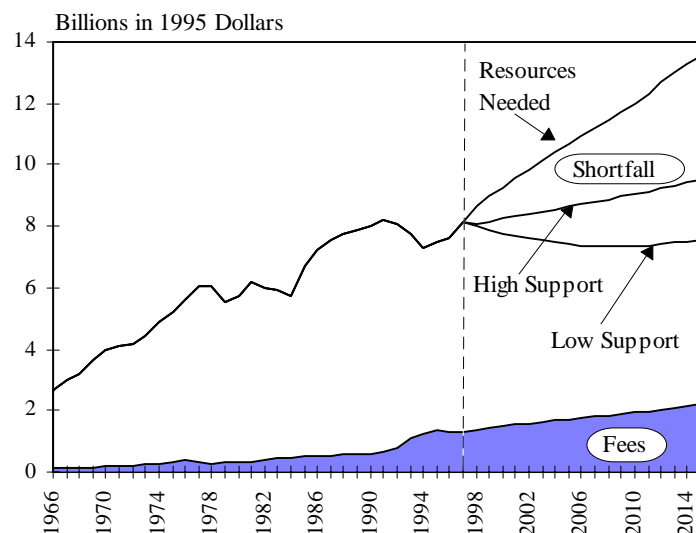
### **What can California's leaders do to promote college Access for the next generation of "Tidal Wave II" students?**

*Renew State commitment to fund statewide efforts that improve academic preparation and college eligibility of California students.* The 1960 Master Plan for Higher Education established policy guidelines for admissions to our colleges and universities. These freshmen guidelines provide that any Californian 18 years or older, who has the motivation and capacity to benefit from postsecondary education, can enroll in the community colleges. The Master Plan encourages the State University to select its first-time freshmen class from the top one-third of the public high school class; the University from the top one-eighth. The Master Plan gave the public systems the authority to set specific admissions requirements within these guidelines.

Periodically, the Postsecondary Education Commission conducts an eligibility study that reviews the extent to which the universities' admissions requirements are consistent with the guidelines established by the Master Plan. The Commission's most recent eligibility study was completed in November, 1997. The eligibility study of the Class of 1996 provides information that can assist the Governor, Legislature, and the public systems in identifying what statewide efforts may be most effective in improving preparation for college.

The Commission believes that the State should expand its support for effective programmatic efforts that increase postsecondary opportunities for K-12 students. These efforts should include strategies for: (1) an integrated statewide public information program aimed at improving the quality and timeliness of information provided to K-12 students and their families regarding college; (2) improving the academic preparation of all students seeking to attend college; and (3) ensuring the existence of a trained and competent teaching workforce.

*Display 2 Funding Shortfall Facing California Higher Education in the Next 20 Years (Rand, "Breaking the Social Contract")*



*Prioritize Funding for Enrollment Growth; Tie Funding to Institutional Performance Measures.* California leaders should continue the State's commitment to stabilize funding and increase the State's investment in higher education to meet the expected increase in students. In 1985, California invested almost 16 percent of its General Fund budget in higher education; today, approximately 12.5 percent is allocated. The Commission's projections estimate that enrollment demand is growing and will continue to accelerate through the year 2005 and beyond. The Commission supports budget strategies that are tied to institutional effectiveness and productivity in meeting the challenges of increased student enrollment.

*Pass School and College Construction Bond Measure.* The Commission supports the passage of a general obligation bond measure for K-12 and higher education during the next legislative session. The Commission has estimated that facility construction needs for the State's colleges and universities will total more than \$1 billion a year, each year, over the next decade. The Commission's analysis of the State's bonding capacity finds that California will likely be able to meet only half of this demand through bond financing. Other competing statewide facility and infrastructure demands for school, water, seismic, and prison projects makes it highly unlikely that higher education will be able to meet

its facility needs through bond financing alone. The Commission strongly recommends that the three public sectors, particularly the State's community colleges (where most of the growth in enrollment demand will occur), identify and implement alternative financing strategies to support their current and future infrastructure needs.

*Strategically finance educational technology projects that focus on meeting expected student demand.* California, the home of the Silicon Valley, is experiencing an explosion in the growth of digital networks. The deregulation of telecommunications, the improvement of interactive video, and the expansion of the Internet and personal computer ownership has led to increased demand for more time-flexible learning by students. The growth of the use of technology in postsecondary education can potentially increase student flexibility to enroll in courses off and on-campus. The State, through its General Fund support of enrollment and directed funding of educational technology initiatives, can play a key role in the adoption of policies that encourage institutions to prioritize their long-term investments in technology so that access is a primary consideration. The Postsecondary Education Commission encourages the Legislature to identify and fund those strategies that particularly focus on meeting the needs of students who do not have access to computer technology.

### **What else can California's leaders do to promote college Affordability?**

*Examine and establish policies concerning the use of educational technology fees and fees associated with distance learning enrollment.* College students are presently facing logistical and financial difficulties as they are experiencing limited access to the Internet, the new electronic worldwide library. Colleges are discussing the imposition of new fees to cover the costs of improving networks to handle computer network loads. The Commission urges the Legislature to adopt policies that aim to increase access to educational technology by all students. Colleges and universities should be equipped with computer technology that provide students, regardless of economic background, with access to the Internet.

*Review existing State policies concerning student financial aid with an eye to expanding educational opportunity.* Congress recently passed legislation that will dramatically expand opportunities for postsecondary education attendance. The new federal tax credit and Hope Scholarship legislation provides financial support for those

students who are low- and middle-income families. In addition, Congress has also approved a lifelong learning tax credit for postsecondary education attendance beyond the first two years. Further, the federal budget agreement includes penalty-free withdrawals from Individual Retirement Accounts (IRA) for postsecondary education. California should consider adopting policies that will improve access by making programmatic changes that will enhance opportunities provided under the new federal law.

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### **What can California's leaders do to promote institutional Accountability for improved teaching and learning outcomes?**

*Support instructional innovation in the use of educational technology.* Technology can assist in reducing time-to-degree by increasing the use of self-paced programs to meet the particular academic and career needs of students while maintaining the quality of academic instruction. The Commission supports the notion that the State should encourage its teacher education programs and current faculties to explore teaching methods which integrate technology. Faculty must also have the tools to improve teaching and learning so that students can receive the attention and support they need to achieve educational objectives in a timely manner. While the traditional instructional experience may continue to dominate most students' college careers, increasing numbers will utilize distance education to complete some part of their education.

*Fund statewide effort to measure student and institutional performance at the postsecondary level.* In 1991, the Legislature passed Assembly Bill 1808, requiring the Commission to publish annual performance measures for postsecondary education. That report provides information on student enrollment, degree and certificate completion, and transfer. In the last several years, the Commission has attempted to improve the availability of data provided by the three public systems by expanding its existing data base. The Commission continues to believe that an information system that provides data on student progress over time is essential to the State's efforts to improve policy decisions concerning postsecondary education. The Commission is hopeful that, in 1998, it will be successful in obtaining both the policy and finan-

cial support it needs to fully meet its statutory responsibility for providing statewide information that can be used in assessing student and institutional performance at its public supported colleges and universities.

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### **Summary**

In 1960, the founders of California's Master Plan envisioned a system providing higher education opportunity for all who desire it. The passage of the GI Bill, and later the National Defense Education Act (NDEA), provided the means and encouragement for millions of Californians to take advantage of California's broad opportunities to earn a college degree.

Today, we are entering a new era. California's multicultural society comprises the most populated state in the nation, one that is linked geographically and historically to the cultures of the Pacific Rim and Latin America. California's colleges and universities are strategically placed to capitalize on the development of the new economic markets. California leaders face an important set of policy choices: limit educational opportunity, and thereby economic and social prosperity, or continue expansion, as envisioned in California's Master Plan for Higher Education.

Low levels of education are powerful predictors of welfare dependency, unemployment, and incarceration. The decision not to invest in higher education will likely result in higher costs in both human and fiscal terms. Accordingly, the Commission's 1998 Legislative and Budget Priorities reaffirm the importance of expanding *Access*, preserving *Affordability*, and encouraging greater *Accountability* with respect to both student and institutional performance.

*As the statewide planning and coordinating agency for postsecondary education, the California Postsecondary Education Commission (CPEC) is responsible for coordinating the efforts of the California's colleges and universities and providing independent nonpartisan policy analysis and recommendations to the Governor and the Legislature. In that capacity, the Commission seeks to promote the effective use of the State's resources and is charged with "eliminating waste and unnecessary duplication, to promote diversity, innovation and responsiveness to student and societal needs."*